

Missouri Training and Employment Council

Lewis Chartock, Ph.D.
Acting Chair

Rose Marie Hopkins
Executive Director

Missouri Training and Employment Council

Embassy Suites
Kansas City, Missouri
June 21, 2006
9:00 a.m. – 2:00 p.m.

Attendees: Katharine Barondeau, Garland Barton, Ed Bryant, J. C. Caudle, Lewis Chartock, Anita Coulter, John Gaal, Nancy Headrick, Don Hester, Richard Jennett, Herb Johnson, Mary V. Moore Johnson, Gil Kennon, Rich Payne, Jerry Pelker, Herb Schmidt, Henry Shannon, Deb Vandevender, Ajamu Webster, Brenda Wrench

Staff: Rose Marie Hopkins, Glenda Terrill, Trish Barnes

Other Attendees: Division of Workforce Development: Rod Nunn, Jason Gatz, Sue Sieg, Regina Anderson, Anita Henry, Steven Kraus, Roger Baugher; MERIC: Franciena King; ACT: Barbara Halsey; Department of Higher Education: Leroy Wade; Department of Elementary and Secondary Education: Steve Coffman; St. Louis Community College: Jane Boyle; Retired, City of O'Fallon: Carolyn Caudle; MERS/Goodwill: Jeff Cartnal; AIM-KC/OneKC WIRED: Paul Scianna; Northeast WIB: Sharon Hays; Ozark Region WIB: Bill Dowling; Northwest WIB – NCMC: Becky Steele; St. Louis City/SLATE WIB: Tom Jones; Altec ND/Northwest WIB: Richard Gronniger; Southwest WIB: Jasen Jones; St. Louis County WIB: Delrina Foster

Call to Order

Lewis Chartock, Acting Chair, called the meeting to order and introduced the new members. Dr. Chartock also had all in attendance introduce themselves.

Minutes

Herb Johnson moved to approve the minutes of April 3, 2006. Mary V. Moore Johnson seconded the motion. Minutes were approved.

One-Stop Chartering

Rod Nunn opened the presentation on One-Stop Chartering by explaining how One-Stop Chartering is related to MTEC's role. This was follow-up from what was introduced at the last meeting in that career centers often times do a good job of tracking performance for workforce development as well as other programs, but the issue of quality and how well the center is performing at a corporate level, like a One-Stop, is something to be addressed in addition to continuous improvement. Mr. Nunn introduced Jason Gatz, Workforce Development's Local Workforce Investment Board Relations Coordinator, to continue the report.

Mr. Gatz explained that the first step taken in this process was a SWOT (strengths, weaknesses, opportunities, and threats) analysis of the career centers. One of the weaknesses that was discovered was a lack of a standardized set of quality standards in the 40-plus career centers around the state. It was noted that the standards should be consistent from one career center to another. It was decided that for quality standards to be established throughout the career centers, then input into those standards should come from the local level. All 14 WIBs participated in focus groups. The members of those focus groups ranged from WIB staff, WIB members, and DWD local staff.

Dr. Chartock requested a brief introduction of WIBs and the One-Stop relationship to WIBs for the new MTEC members. Mr. Gatz explained there are 14 different workforce investment regions in the state and each is governed by a workforce investment board (WIB). MTEC serves as the state WIB. He went on to explain that

the local workforce investment board members are selected by their local elected officials (LEOs) and they administer training funds from the Workforce Investment Act (WIA) and other programs specific to that WIB. They are involved with the career centers within their WIB, as that is where WIA services are available.

Dr. Chartock then asked for a brief statement on how a WIB becomes a WIB. Mr. Nunn explained that workforce investment boards are authorized under federal law to maintain local administration of programs and services. Prior to the Workforce Investment Act, local services were administered by Private Industry Councils (PICs). At the current time, WIBs have authority over the One-Stop Career Centers where DWD is making strides to certify quality standards.

Dr. Chartock asked if there was a certain cut-off point for population for a county to have its own WIB. Mr. Nunn explained that the law states that if a county has over 500,000 people, then it can have its own workforce investment area with its own board.

In continuing the One-Stop Chartering presentation, Mr. Gatz stated that reference material from a consulting firm was used as a guideline for this chartering process. The firm identified 11 critical success factors for a one-stop grouped into three basic categories: services to job seekers, services to employers, and leadership, management, and operation.

The focus groups consistently noted a deficiency in reaching out to employers. It was also suggested that a single point of contact delivery system be enacted for large employers to reduce confusion. For job seekers, it was noted that career centers tend to focus on programs rather than people. The customer should never be looked at as the program; rather, the customer should be looked at as a person seeking assistance. It is hoped that awareness of the customer's view of the career center will result in seamless delivery of services.

Another major shortcoming that was identified was the institutional appearance. It was noted that if the office was more aesthetically pleasing like a public library, then people might have a more positive feeling about the services.

The last critical success factors dealt with the management, leadership, and operation of career centers, especially in relation to the functional manager role in the one-stop operator concept. With different staff at different levels from a variety of agencies, there is sometimes the "that's not my job" attitude. A functional manager would help reduce confusion at this level. Operations on a day-to-day basis continue to be reviewed to see what could be improved.

The findings from the focus groups can be found in the document *Improving Missouri's One-Stop Career Centers*. Initially, the timeline for this project was to have the criteria ready for consideration at the June MTEC meeting. As there are a number of outstanding issues to be addressed, Mr. Gatz explained that action would be premature to properly take everything into account. The next step is to meet with the WIB Committee to review the draft and discuss modifications before presenting the final report at the October MTEC meeting. Upon approval, implementation of the career center chartering process will begin.

Dr. Chartock asked about the intended mission of the career centers and who they serve. Mr. Gatz stated that the career centers are the service delivery centers in the workforce development system. He went on to explain that the career centers serve the employer by providing potential employees to employers. Through the career readiness certificate, the employer will be able to know what level of knowledge a person would be bringing. Job seekers are provided an outlet through which to search for a job or receive training.

Dr. Chartock asked about the typical salary range of job seekers that come into the one-stop shops. Mr. Nunn explained that because of the programs, most are workforce investment program customers who are disadvantaged adults, disadvantaged youth, and dislocated workers. Some jobs are high wage and some are low wage. The high wage environment is a challenge due to the stereotype of lower salary levels associated with career centers.

Brenda Wrench asked about any resistance to this standardizing process or concerns that might be coming from any of the different one-stop centers. Mr. Gatz stated that there were minimal concerns but generally support from every focus group. There was concern of the potential for unfunded mandates.

Dr. Chartock asked if funding would be made available to deal with unfunded mandates. Mr. Nunn explained that we have approved One-Stop Enhancement grants through the Skilled Workforce Initiative and that the state will provide technical assistance in applying for and complying with chartering criteria.

Jerry Pelker asked how career centers relate to unemployed construction workers who really are not looking for another career. He explained that construction workers go to the unemployment office to sign up for benefits to tide them over until their jobs are back up again. Mr. Nunn stated there was a point in time when unemployment insurance services were offered in career centers but in the mid-1990s, most states went to call centers, as did Missouri. Missouri has a four-week reporting process where those workers must come to the career center every four weeks until they get a job.

John Gaal pointed out that at the March 19 focus group in the St. Louis County Region, there were nine stakeholders out of the four local WIBs present. He asked if that was enough buy in to get accurate input. Mr. Nunn responded that he was also disappointed with some of the participation levels but if there was a void in input, then discussion by the MTEC WIB Committee should provide additional comments.

Henry Shannon asked if there was an effort to develop a methodology to get a sense of continuity for the career centers. Mr. Gatz responded that each center is going to have strengths and weaknesses. He reinforced that one center is not better than another, but the effort will be made to share strengths and work together to eliminate weaknesses.

Dr. Shannon asked about the ultimate objective to be accomplished from the chartering process. Mr. Nunn explained that this process will work toward continuity among career centers. It is expected to have integrated business services within the local one-stop partnership and customer flow with proper signage for program reporting, or career counseling, or information on training. Mr. Nunn explained that his expectation is to provide state-level policy to support local areas.

Garland Barton asked for elaboration about who is to be included with the meeting of the WIB Committee, as he is the only WIB Chair on the committee.

Although the bylaws define this committee being comprised of MTEC members also serving on WIBs, Rose Marie Hopkins suggested that the MTEC WIB committee broaden its focus and invite the WIB Chairs given the topic. Mr. Barton stated that this would also be his recommendation.

Ms. Johnson suggested that the WIB Committee and the Special Focus Committee join together on this issue as she considers this a special focus issue.

Richard Gronniger, the Northwest WIB Chair, reinforced the importance of consistency by using McDonald's as an example. The products at any McDonald's world-wide will be the same. Career centers lack similar continuity causing uncertainty by patrons. He pointed out that the benchmarking process is regularly used in manufacturing and has the same relevance for career centers.

Herb Schmidt added that the trucking business is a very decentralized business. Operating internationally compounds the challenges such as different terminals operating autonomously. One of the keys to fixing that problem was a certification called ISO Certification that standardized procedures and allowed for a consistent menu throughout the entire organization. He suggested this might be something to consider. There is a cost associated with this but to grow, it is important to keep uniformity and consistency. Mr. Schmidt believes that had his company not done this eight years ago, it would not have operated as well or been as consistent an organization as it is. ISO Certification created uniformity that otherwise would not have been present.

Anita Coulter questioned Mr. Nunn concerning the certification that he discussed. Mr. Nunn explained the word "chartering" and "certification" are often used synonymously. He explained that he anticipates a team of state agencies that will be responsible for going out and actually looking at career centers using a checklist. A recommendation to either charter or certify that career center would be made based on the checklist.

Ms. Coulter then asked if these standards are to be continually renewed or audited. Mr. Nunn envisions a system with progressive levels. Level 1 would have continuous improvement mechanisms so that in a year or two, depending on the terms of the charter, staff will hopefully find improvement to the next level upon their review. Dr. Chartock noted that CARF (Commission of Accreditation of Rehab Facilities) has been in the business of accrediting one-stops. He suggested investigating what standards CARF uses.

Dr. Chartock complimented the council on the level of discussion on this topic. He also requested that members be informed when meetings such as the focus groups are held in the event MTEC members could attend. In regard to the meeting results, he also added that participants' information such as who they were and who they represented should be included to better describe the sources of the input.

Request for Applications

Mr. Nunn began the discussion by explaining that the funding is through the Workforce Investment Act and specific funding for adults, youth and dislocated workers. The adult and the youth program has 85% of the money allocated to the local workforce initiatives; 15% of the money stays with the State of Missouri for state-wide activities (referred to as the discretionary fund). Of the 15%, administration is limited to one-third and the other two-thirds is available for disbursement for statewide activities.

Dr. Chartock asked Mr. Nunn to briefly explain formula allocations. Mr. Nunn described formula allocations as federally defined formulas taking into consideration demographic factors such as the disadvantaged, low income, and poverty characteristics.

Mr. Nunn went on to explain the third program as the dislocated workers program, where generally 60% of the money is formally allocated to the local regions and 25% stays with the state for rapid response situations, and the remaining 15% stays at the state-level for state-wide funding resources.

Dr. Chartock inquired about the actual dollars rather than percentages. Mr. Nunn stated that the second funding stream is something called TANF, high performance focus money. Missouri was second in the nation in employing TANF clients this past year and the state received a large high performance bonus. DWD was allowed to use \$3 million of that for this project. Total amount that DWD has available for discretionary projects would be approximately \$7 million. Mr. Nunn explained that when he first came to Missouri a year ago, one of the first things he looked at was where the money was and how it was being used. He wanted to ensure there were policies and procedures in place for discretionary projects as that was lacking. This RFA process is new and details categories important to the state. The categories are Incumbent Worker Skill Shortages, Youth Skill Shortages and Capacity Building, Community Workforce Solutions for Low-Income Individuals, Business Retention Services, Micro-Enterprise Training and Support, Regional Skills Gap – Phase III, and One-Stop Career Center Enhancements. The purpose for these particular categories was to encourage complimentary services other than competition or redundancy. Most have efforts in place in some areas but they may be innovative approaches in other areas. Applications were due to DWD at the end of March. They were scored as a group based on the category. The scoring criteria included four areas: Program Design Innovation, Strategic Alliances and Partnerships (including Non-Traditional Groups), Performance (anticipated results), and Budgets (anticipated expenditures). A package of \$7.2 million in grants was recommended to the Governor. After his approval, DWD is now actively negotiating contracts with local workforce areas and will be made public within the next few days.

Ms. Johnson commended Mr. Nunn on providing this information as she has requested financial information for a number of years.

Dr. Chartock inquired as to whether agencies other than DWD were involved in evaluating the applications. Mr. Nunn responded that in addition to DWD, there was participation from the Division of Employment Security, Department of Elementary and Secondary Education, and the Department of Social Services.

WIRED Grant

Paul Scianna, the Executive Director of the Alliance for Innovation in Manufacturing-Kansas City (AIM-KC) and Project Director of the OneKC WIRED (Workforce Innovation in Regional Economic Development), provided a thorough description of the WIRED Grant approved for the Kansas City Metropolitan Area. The Kansas City region is one of 13 WIRED regions in the country. There were 106 applications. This was Missouri's only application. These 13 grants total \$15 million each over three years, \$5 million each year. WIRED is a program of the U.S. Department of Labor.

The grant application process had an unusually tight timeline, from Thanksgiving until January 5. The US Department of Labor (USDOL) had three factors important in considering applications for WIRED grants: key drivers (innovative approaches to workforce development); ultimate goal (targeting high-skill, high-wage job opportunities); and strong regional partnerships (building strong partnerships with civic groups, business, and others). USDOL was especially interested in multi-state projects. The OneKC WIRED project fit all the criteria. As the application must be submitted on behalf of the Governors, Governor Blunt and Governor Sebelius readily agreed. Within a week after the grant announcements were made, plans were already in place for both Governors to host an economic development summit. Another meeting is planned for the fall. This WIRED grant was one of the seven initiatives that the two Governors signed off on that would be continually monitored with commitments to direct resources to it. In the 18-county area of the OneKC initiative, there is a 1.9 million population, 49,117 businesses, 877,015 workers, and \$30.9 billion payroll. Included among the partners are education and training providers, economic development agencies, employers and industry associations, and the public workforce system. There had been a campaign called ThinkKC in place previously, but instead of just "thinking" KC, the focus of this project is to act, work, grow as OneKC.

The three industry sectors of emphasis under the OneKC WIRED Initiative are Advanced Manufacturing, Biotechnology, and Healthcare. These factors were selected due to previously existing alliances and partnerships to use as a starting point. In addition in looking at these three industry sectors (and the education and training required), all three require the same basic courses until the point necessary to specialize. All three industry sectors have basically the same basic core requirements, especially in the areas of math, engineering, technology, and science. The Kansas City Metropolitan Area had significant commitment for these initiatives. For example, the Kauffman Foundation believes that over the next ten years, it will invest between \$25 to \$50 million to math and science education in the five-county area of Kansas City.

The 13 WIRED recipients will have constant interaction to exchange best practices. To administer this grant, a WIRED Steering Committee was established whose members are key stakeholders and will meet on a regular basis. The OneKC WIRED office has a project director, industry coordinators, representing one from each industry, and administrative support staff.

Mr. Scianna reported on progress to date. The Metropolitan Community College and Business and Technology Campus was able to expand their capacity of the Making it in KC Program and to develop a mediplex for human patient simulators. The Kansas City Metropolitan Healthcare Council has developed a model where the key institutions in the area contributed various parts of their faculty to provide the training. The Clinical Faculty Academy, which is a train the trainer approach, is a very intensive program that people with baccalaureate degrees in nursing attend and are given the opportunity to do clinical training. In the Simulator Initiative, the metropolitan campuses have classrooms with mannequins in hospital beds and the training materials needed to complete clinical training. There will also be support coming through the public workforce system as a result of this.

Mr. Scianna explained that two "new economies" initiatives are being investigated in the areas of technology accelerators and animal health innovation grants. The technology accelerators are Missouri Enterprise Business Assistance Center and National Institute of Strategic Technology Acquisition and Commercialization (NISTAC). They basically take innovative ideas in technology and see if they can be commercialized. The second economy

is Animal Health Innovation Grants. Kansas City houses about 40% of the animal health market and 28% of the global market. As part of the Kansas City Area Life Sciences Institute, this institute will create new business ventures, new jobs, and new opportunities for the region to be recognized as a place that is high tech when it comes to animal health issues.

The next issue is incumbent worker training. The skills gap analysis from manufacturers showed the need for incumbent workers with various skills, technical skills and soft skills. For example, in the biotech arena, the skills of many workers become obsolete after a year or two due to the rapid growth of technology. This will require skills not only within the biotech arena but other fields to ensure adaptability.

Mr. Scianna explained that their partner, Prep-KC, works exclusively with the two urban school districts of 50,000 students with similar demographics in both districts. In fact, the Kansas City, Kansas school district started the First Things First Program, which has become the pilot for the nation in breaking a school into small learning communities. Students travel together in blocks in career-themed learning communities. Within the last eight years, the Kansas City, Kansas school district increased the graduation rate from 48% to 83%. They also increased the quality of the graduates. In addition to existing healthcare small learning communities, there is a need for biotechnology small learning communities. Prep-KC also has school-to-industry liaisons funded under WIRED that will work to ensure interaction is taking place.

Project Lead the Way is an innovative, pre-engineering curriculum that begins in middle school and becomes very intensive in high school. This is a vigorous math and science program; kids not only learn formulas but how to apply them. The Kauffman Foundation has already contributed \$1.8 million as part of the challenge grant, and an additional \$500,000 has been put into the WIRED grant at the approval of the foundation. Since the fourth year of the program is quite expensive due to the computer software and equipment required, WIRED funds are being used to establish centers of excellence in colleges or technical training schools. Johnson County Community College is another biotech initiative that developed simulation modules and redesigned curriculum for online and distance learning.

The skills gap analysis with AIM-KC began around manufacturing but within the next three years will be doing a combined analysis with advanced manufacturing, biotech, and healthcare. The Kansas City Area Development Council and other economic development agencies will work to help increase economic development. The skills gap analysis showed that the vast majority of manufacturers do not work with the public workforce system because they were not aware that the system existed. The three industry coordinators with WIRED will be reaching out to industry to assist in creating regional internships and coops. Manufacturers indicated an interest in enlisting the services of an intern or coop student but lacked the knowledge as to where to get started. WIRED plans to establish a tool kit of best practices in a number of organizations to coordinate that effort.

Mr. Scianna stated that in the OneKC WIRED region there are seven workforce investment boards involved. There is a lot of interest to develop common brand under the OneKC Regional Workforce Council, including assessment tools that can be used on both sides of the state line. These tools would not only assess potential applicants but businesses as well. They would provide the ability to go to existing businesses in the area or a business that may be looking to move into the area and assess their positions by creating profiles, which could then be compared to a database of potential applicants to fill open positions. The common assessment tools established among these seven bi-state WIBs will not only advance the effectiveness of the public workforce system but economic development activities, as well.

Mr. Scianna explained that Common Career Readiness will be based on hard skills and developing soft skills. A credential is to be signed by the Governors of Missouri and Kansas based on the three WorkKeys levels of certification: gold, silver, and bronze.

In explaining Personal Work Support Accounts, Mr. Scianna said they would reduce barriers that keep people from seeking employment including transportation, child care, healthcare, or other constraints. A great deal of sensitivity is necessary when people are making a transition from one area to another, whether welfare to work or a career change or relocating from one region to another.

In describing other public workforce solutions, Mr. Scianna provided information about employer based training, with new approaches in integrating occupational training and the work environment, regional training accounts, and lifelong learning accounts. During the first year, WIRED grants may have added matching funds as an incentive for participation by employers in the area. In years 2 and 3, OneKC plans to seek state participation, whether in matching funds from the state(s) or tax credits for employers. Another success that is now in place is an agreement by the two major community colleges in the area, Johnson County on the Kansas side and Metropolitan on the Missouri side, to charge in-state tuition and fees to reduce costs and increase the availability for training for people in the area. This cooperation is expected to save 65% in training costs for the three industry sectors targeted, which equates to \$1 million.

Skills Gap Implementation

Steve Coffman explained that this presentation was a continuation from the previous Governor's Conference where the planning phase of the Skills Gap Initiative was discussed.

The Skills Gap Initiative had two goals: to find an innovative use of WIA incentive funds to benefit all partners and to better meet the needs of employers. During the process of discussing skills gap and skill shortages, the need for workers in certain occupations was identified. The planning phase, in which all 14 regions participated, discussed the WIA incentive grant funding, identified the region's skills gaps, created strategies to address the gaps, and also submitted a report to the State.

Mr. Coffman explained that the implementation phase was next, which consisted of utilizing planning phase findings and existing resources. Another product of the implementation phase was multi-agency reviews. The final product received group consensus to ensure agreement.

Each region completed a planning phase where the first step was to gather data to help formulate their skills gap. Information was provided by MERIC (Missouri Economic Research and Information Center in the Department of Economic Development) pertaining to Grade A and Grade B occupations and was based on wages, growth and volume. The information provided by MERIC was region specific. MERIC also provided information as to where the Grade A industries are growing and where wages had increased.

Mr. Coffman explained that the regions also included input from business and industry through surveys, interviews, focus groups, and meetings throughout the state. Some regions found that it was so beneficial that they have continued this process outside the scope of the grant, which ended June 30.

The regions were then to identify the skill gaps and shortages within their regions and to prioritize strategies to address them. Soft skills was a skills gap discussed by every region. Career readiness was another area of skills gap and shortages. When discussing skills shortages, healthcare was often mentioned as well as advanced manufacturing.

Mr. Coffman explained that during the implementation phase, the regions will decide what solutions they believe will work. There are a number of best practices planned to be implemented. This process will be monitored to identify the practice that is working and to provide as much technical assistance as practical.

Anita Henry completed the Skills Gap presentation by describing the implementation phase in greater detail. The implementation phase had \$1 million available for proposals. Twelve of the 14 workforce investment boards submitted proposals, of which four were selected. They were Kansas City/East Jackson, Northwest, Southwest, and South Central.

The Kansas City and East Jackson joint proposal contained two initiatives. The first initiative was a partnership with Kansas City Metro Healthcare Council and 25 regional hospitals to train 18 clinical faculty. The second initiative focused on soft skills. The Kansas City/East Jackson region was awarded over \$220,000 for their proposal.

The Northwest region had six initiatives in its proposal. The first initiative was life-long learning, including a media campaign. The next initiative was profit in education, which is a program that tries to get employers to only hire high school graduates to keep drop-out rates low. The third initiative was to use the career readiness credential and to expand it into three more areas: real world skills, work ethics, and communication style. The next initiative would increase health professional capacity by partnering with the Area Health and Education Center to allow professionals to explore more opportunities in the healthcare field, to offer workshops for general healthcare careers, and to provide a faculty training center. The Northwest region was also awarded over \$220,000 for its proposal.

The Southwest region focused on soft skills by using the WorkKeys assessment to serve 2,100 people in the manufacturing areas. The Southwest region was awarded \$175,000.

The South Central region was awarded \$250,000 to serve over 800 people in four initiatives. The first initiative was to encourage local schools to develop curriculum to teach skills to youth while still in school. The second initiative focused on providing GED training to workers without a high school diploma or GED. The next initiative provides soft skills training to those workers with a GED. The last initiative involved expanding the Employed Worker Training program with the skills gap initiative to help them acquire supervisory skills.

Ajamu Webster asked if anyone has quantified the loss of productivity associated with soft skills. Dr. Chartock asked if it is a societal problem and not just a cognizant problem. Dr. Chartock added that the quantification would include the cost of rehiring and the cost of retraining every time an employee leaves the business.

Mr. Barton stated that he had done so at his company. Mr. Barton stated his business was spending a large sum of money each year for a workforce of approximately 500.

Mr. Johnson asked if there has been some kind of study to look at a timeline to see when this started to become a problem. Dr. Chartock explained that the soft skills had to come first, you don't know what the other problems are until you get through the soft skills. Tom Jones stated, in answer to Dr. Chartock's question, that this is a societal problem. In answer to Mr. Johnson's question, early 1970s is when society started to change and become more tolerant of poor work habits. There was an increase in one-parent families so a parent may not be readily available at home. Until society changes back, Mr. Jones expressed concern that the classes, workshops, and skills gap initiatives are only going to be partially successful.

Richard Jennett added that in healthcare, there is a little bit of a twist to it, particularly in looking at nurses and hospitals. Every hospital in the country is trying to get more nurses and the country is training armies of nurses, yet there are a number of nurses in this country doing non-clinical jobs. He believes that the basic job requirements of these healthcare jobs needs to be researched. Dr. Jennett also believed there is the need to look at what is being asked of these people and realize that the faculty members that are receiving grants to train already exists. He believes the problem is these nurses are already out of nursing. He stated that healthcare has its challenges and study is needed as to why nurses are not retiring as nurses.

Mr. Gaal stated that there was a study that was out about a year ago addressing Dr. Jennett's point. He explained that this study showed there are over 200,000 registered nurses in this nation who are of working age who refuse to work in the industry due to job structuring. Mr. Gaal will forward this study to Mrs. Hopkins.

Barbara Halsey added that before she went to work with ACT, she spent 12 years working for the National Council of State Boards on Nursing who develops the licensure exams for nurses. Job structure is certainly one reason but a huge reason why nurses leave the profession relates to legal issues. Nurses are put in positions of responsibility where they are seriously understaffed but yet are held accountable for all activities that take place on their floor. Nurses are being sued and brought before state boards on disciplinary charges. They're held accountable and responsible for many things just as doctors are and they don't have access to the necessary insurance for these types of issues.

Gil Kennon stated that we have confused the issue of soft skills and work readiness or work ethic because he thinks most of the things we are discussing used to be called work ethic or work readiness. In answer to Mr. Johnson's earlier question, he believes most of the soft skills training that is done today started hitting the market during the late 1970s, early 1980s. He also thinks WorkKeys really started in the late 1980s, early 1990s. In response to Dr. Jennett's comment, he stated that his college trains a lot of nurses but lacks important follow-up processes to know where those students are after more than a couple of years past graduation.

Jasen Jones stated that the Southwest region also completed Phase 1 of the skills gap assessment with companies through focus groups and surveys. There is an issue of not only the basic workability or work ethic skills but there are shortages that are difficult to quantify. He suggests initiative be looked at first, perhaps in an entrepreneurial culture so employees would approach the job as if approaching their own business, not as just another social responsibility.

Mr. Coffman added that, as Mr. Nunn referred to earlier, this was the first segway to the RFAs. There is going to be a third round that will be announced fairly soon. MTEC will be notified of the projects or approaches that are going to be implemented starting July 1.

Governor's Math and Science Summit

Nancy Headrick began by explaining how math and science relate to MTEC. She believes, beyond someone being able to read, that math and science are the two key areas in which students need to be prepared as the country continues into the global economy.

She referenced comments by Mr. Scianna about Project Lead the Way, a pre-engineering program in Missouri as well as Kansas. Missouri, along with four other states, has dedicated money to Project Lead the Way to develop the program in biomedical sciences and relieving problems-based, high-level rigorous math and science initiatives. The other initiative being worked on with agriculture education is to develop the same kind of program with a high level of math and science, especially science in business and agriculture. In October Mary Beth Luna, the education liaison to Governor Blunt, formed the Math and Science Summit planning committee with a variety of members from agencies, education, and business. The emphasis for the summit was how to increase interest by students and adults in these careers as well as to keep Missouri on an economic plane.

At the *Governor's Math and Science Summit*, four strategic issues were addressed:

1. Improving the performance of all preschool through graduate level (P-20) students.
2. Expanding the pool of students motivated to pursue METS careers
3. Expanding the pool of Missouri's preschool through 20th grade METS teachers
4. Increasing public awareness of the importance of METS-related industries and jobs in enhancing Missouri's global competitiveness and innovation.

The group broke into smaller groups to discuss those issues in greater detail and propose solutions. At the end of the day, the Governor heard what the groups proposed. The Governor announced he would then appoint a working group to take those suggestions further. Dr. Headrick included the list of those individuals the Governor appointed to serve on that committee on a handout. The working group is to have recommendations to the Governor by the end of August. Dr. Headrick acknowledged there were several people from MTEC at the summit. She appreciated the help that Mrs. Hopkins and other DWD staff gave to staffing the summit.

In response to questions about METS and STEM, Dr. Headrick explained that STEM is an acronym for Science, Technology, Engineering, and Mathematics and METS stands for Mathematics, Engineering, Technology, and Science. The letters were scrambled to avoid confusion with controversy over stem cell research.

Mr. Webster stated that the four strategies say improve, expand, expand, and increase. He asked if there is a feel as to what numbers are being targeted or if the committee is looking to increase the numbers in engineering by a set percentage. Dr. Headrick explained that she is not sure how that will be addressed by the committee. She appreciated the recommendation and will pass this on to those taking the next steps.

Dr. Shannon stated that there are obviously a number of initiatives going on in the state around math, science, and technology. Dr. Shannon asked how these are being managed and organized so the effect can be maximized. Dr. Headrick stated that was a good question but was unable to answer.

Mr. Kennon asked for a follow up on the comment concerning the goals of the work group. He thinks it should be up to the committee to set the quantifiables. He passed along to the council that the Governor was at the table at this meeting all day and personally led the meeting. Dr. Headrick explained that in the business round table discussion, the Governor participated with business leaders, education at all levels and was genuinely engaged in the topic. The consensus was that that collaboration needs to happen to make this effort successful.

Mrs. Hopkins stated that in regard to the Governor's commitment to math and science there is a grave concern that this is going to be viewed as a short-term initiative. She reinforced that the Governor is extremely committed to this issue and recognizes that he is looking at a structure that will be firmly in place with continual enhancement. The Governor wants this to be a non-partisan issue. This is already the case with the WIRED initiative in that it is non-partisan; the Democratic Governor in Kansas and the Republican Governor in Missouri are at the same table and working very well together.

WorkKeys

Mrs. Hopkins reminded the council that Mr. Scianna had mentioned WorkKeys earlier in the meeting as an important component of the WIRED grant. Regina Anderson is the DWD point of contact for WorkKeys as Mike McKown is recuperating from a serious accident. Ms. Anderson has been working on WorkKeys with Mr. McKown for several months.

Mrs. Hopkins presented a status report on issues current with WorkKeys. Barbara Bolin, a consultant, has been hired to assess promoting WorkKeys in support of Missouri's Career Readiness Certificate. Dr. Bolin will be assisting in a marketing campaign to increase awareness of the Career Readiness Certificate to potential employees as well as employers. Both sides of that interview table need to know what it is so when someone with one of those certificates comes to the company's human resources officer, then the company will understand that the certificate indicates the skills that that individual is bringing and will contribute more immediately to the company and to the business at hand. At the current time, staff and the pilot areas are working through the answers to questions that business will be asking as to "what's in it for me" and how it will best work for the businesses prior to approaching the business community in a real campaign. When that is prepared, information will be presented to the Missouri Chamber of Commerce, other business groups around the state, and local chambers of commerce, to explain how the Career Readiness Certificate using WorkKeys will be good for them and their communities. Recently, the Division of Workforce Development met with the Department of Elementary and Secondary Education to start discussions of those questions about where WorkKeys will work and how it compares with other assessments that are already in place. As that meeting went along, it raised more questions. It is expected that more meetings are necessary to continue those discussions to figure out how to best serve Missouri's workforce and also Missouri's business community.

In establishing what skills the Career Readiness Certificate represents, Dr. Chartock asked if Mr. Schmidt would be able to use this document to tell whether a driver can back up a truck to the loading dock. Mrs. Hopkins explained that WorkKeys and the Career Readiness Certificate do not measure those specific skills because the driver has another certification (a commercial driver's license) that has already measured driving skills. WorkKeys will indicate to CFI, Inc. how well that driver can locate information on a map and know where to deliver the cargo.

Mr. Pelker asked if WorkKeys is occupation based or if the profile states the occupation. Mrs. Hopkins explained that the profiles are occupation based, not position specific; the assessment is the same for whatever position that one might be applying for. Mr. Pelker referred to the last line of a statement in the handout that stated "a person holding a gold certificate would have the base level of knowledge for over 80 % of the jobs." Mr. Pelker asked how the certificate relates to WorkKeys if WorkKeys is based on occupation. Mrs. Hopkins explained that it means that that person would have the skills for that position but not necessarily the aptitude or the appropriate attitude for 80% of the jobs.

Mr. Kennon further explained by using nursing, carpentry, and math as an example. We know a nurse would probably need a level 5 in math but we also know a carpenter would probably need a level 6. So for a level 6 in math, they would have the math level to be a skilled carpenter or a nurse so that is how it applies to all of the jobs.

Dr. Chartock asked Ms. Halsey for additional comment on WorkKeys. Ms. Halsey encouraged everyone to look at WorkKeys.com which includes case studies and information on return on investment. These are not related to people who are let go due to soft skills issues but will indicate how much money people in the industry save with reduced turnover in their organizations.

Ms. Halsey added that she was given permission by ACT to give a brief preview of something to be announced very soon. ACT is planning to produce three instruments that are designed to assess soft skills issues. These tools will look at performance and productivity issues as well as job fit. This instrument will match an individual's interest and values to the specific job. These instruments will probably be released September 1. Ms. Halsey also explained that ACT tried for many years to produce a product called Work Habits but was unsuccessful in producing a product that ACT felt it could stand behind. The WorkKeys assessment doesn't just describe what someone knows; WorkKeys tells what someone can do with what they know. Soft skills issues are more difficult to assess so the instrument needs to be designed in a much different way. ACT has changed direction and has designed these three products that it believes business and industry need because the soft skills issue is so important.

Mr. Jones asked if the instruments would be paper based or how they will be tracked. Ms. Halsey explained that they will probably be web based instruments. Mr. Jones went on to ask if the web based instrument would do the same that a paper based instrument would; if there would be interactivity during the assessment. Ms. Halsey explained that she couldn't answer that yet.

Dr. Chartock paraphrased that the three components ACT is trying to measure are how somebody feels about an issue, what somebody knows about an issue, and what somebody will do about an issue. Dr. Chartock asked Ms. Halsey how these tools will be able to report to employers what someone will do about something and not what they feel about it. Ms. Halsey explained that these tools will be different than the actual WorkKeys assessment. These tools will be predictors; they will give employers a feel that the individual knows they are supposed to show up for work on time and some sense of what their work values may be.

Mr. Nunn explained that the tools Ms. Halsey is describing are also assessing the awareness about soft skills issues. In Southeast Missouri, there is a two-week training class that a person attends before being recommended for a certificate so that they know if the potential employee has a bad attitude or might be expected to have attendance problems.

Unemployment Insurance Legislation

Katharine Barondeau began the presentation by explaining how the unemployment insurance (UI) program should be an important issue to MTEC because those receiving unemployment insurance benefits are a significant group of people who are in need of employment services and training. USDOL has reemployment of UI claimants as a priority. Reemployment is also one of the priorities of the Director of the Missouri Department of Labor and Industrial Relations (DOLIR). Reemployment of UI claimants impacts Missouri's trust fund. By reemploying claimants more quickly, they are back to work and not drawing benefits.

Ms. Barondeau explained that in 2003 and 2004, Missouri's unemployment trust fund became insolvent causing Missouri to borrow \$288 million from the federal government. Through the employer-paid federal unemployment tax, DOLIR funds a number of things including some DWD programs and all of the administrative monies to pay UI benefits, to adjudicate claims, and to collect taxes from Missouri employers. When employers pay their federal unemployment tax, they receive a credit for what they pay in state tax. The state tax is to be used exclusively to pay benefits. When borrowing from the federal government for the length of time that Missouri has, the federal government reduces the credit that Missouri employers get for their federal unemployment tax. Beginning in January, 2006, Missouri employers were going to see a reduction in tax credits of \$21 per employee. This year, Missouri employers face a potential loss to their credit reduction of \$42 per employee. Ms. Barondeau

explained that this is important to the economic development of Missouri because what employers have to invest in training and in a stable workforce could definitely be impacted by the additional taxes that would be required. Last year, Governor Blunt applied to USDOL for avoidance of the reduction of tax credits. To qualify for this avoidance, a partial payment of the debt was required in the amount of the potential tax credit reduction. Last year, Missouri employers would have lost \$50 million and a partial payment of that amount was made to avoid credit reductions. This year, the amount of potential tax credit reductions is about \$103 million. Governor Blunt has again submitted an application for the avoidance of the credit reduction but USDOL won't issue a decision until November.

Ms. Barondeau believes it is important for MTEC to realize that Missouri employers are facing not only this potential loss of federal tax credit but they also face increased state unemployment taxes enacted in 2004 to improve solvency of the UI trust fund and a federal interest assessment. The federal government expects to receive interest on the \$288 million that Missouri borrowed and the interest may not be paid from state unemployment taxes. Every year since Missouri began borrowing, Missouri has had to assess employers to pay that interest. This year, it will be \$5.35 per employee.

Because of the insolvency of the UI trust fund, UI legislation has been a concern of the legislature, the employer community, as well as the labor community. In the 2004 legislative session, labor stakeholders as well as the employer stakeholders compromised in order to improve the solvency of the trust fund. Because of the solvency issues, administrators of the unemployment insurance receive inquiries about improving the reemployment of claimants and reducing the average duration of UI claims. According to DOLIR estimates, if the average duration of claims could be reduced by one week, the trust fund would save \$27 million. For the 12-month period ending with the first quarter of 2006, the average duration was down to 14.9 weeks.

The legislature is aware of the solvency issues facing the trust fund and considered additional provisions to improve solvency during the last legislative session. The legislature and the Governor signed House Bill 1456 from the 2006 legislative session. This legislation requires DWD and Employment Security to annually submit to the Governor and the General Assembly a report of what is planned for work search verification and claimant reemployment. A work group has been established to work on reemployment initiatives and draft a grant proposal to the federal government. Missouri has been told that the federal government is going to issue additional grants for states to offer reemployment initiatives. Information regarding funding is anticipated soon.

In cooperation with DWD, DOLIR has been working to improve the profiling program that currently is used. USDOL requires states to have a profiling program that targets claimants who are likely to exhaust UI benefits and guides them to services. DWD and DOLIR's Division of Employment of Security (Division) are working to improve that process, which would expand services to claimants.

The final portion of the law includes provisions of interest to employers and employees. Employers often complain when their accounts are charged to pay benefits for people fired for violating their drug or alcohol policies or their absenteeism policies. This bill strengthens the ability to deny benefits when claimants violate their employers' policies regarding drugs, alcohol, absenteeism, and tardiness.

This legislation also increases the amount of benefits paid to claimants. Beginning October 1, 2006, the legislation increases the multiplier used to calculate benefits. Beginning in 2008, it increases the maximum weekly benefit amount per claimant from \$300 up to \$320 per week.

Ms. Barondeau stated that in 2004, legislation created the Board of Unemployment Fund Financing which has the authority to use alternative financing to supplement the trust fund. However, there were state constitutional problems with certain provisions of the legislation that prevented the Board from using alternative financing. This new legislation remedies some of those problems; whereas, if there is need again to borrow a significant amount of money for the trust fund, then there would be alternative financing options available to do that.

Ms. Wrench added that, in her opinion, it should be made as hard as possible to collect benefits as there are a number of people who view unemployment as "it's there, use it." In answer to Ms. Wrench's statement concerning making it difficult to collect benefits, Ms. Barondeau explained that states are free to make some choices about their unemployment insurance program but not many. The federal government sets the parameters of the program as part of the Social Security Act. In terms of quitting, if someone quits, then that employee

generally is not eligible for benefits. Also, employers and the Division may raise issues concerning a claimant's eligibility. For every claimant who receives benefits, there is an employer who is authorized to challenge those benefits. If the claimant says something to indicate that they may not be eligible while making a claim, the Division has the responsibility to investigate whether this person is eligible.

Dr. Shannon asked if someone is being terminated, if that employee is always denied benefits. Ms. Barondeau explained those claims are dependent on the circumstances. Employers often don't realize that there can be a perfectly legitimate reason for terminating somebody's employment, but the employee may still qualify for benefits. The system is geared for paying benefits to those who are unemployed through no fault of their own. Terminating employees because they are incompetent often qualifies them for benefits because that is considered to be a poor match of the employee to the job under case law. Termination for misconduct, however, is a reason to deny benefits.

Dr. Jennett asked if the part regarding drugs and alcohol passed. Ms. Barondeau explained that those provisions did pass, but sometimes it is an evidentiary issue and will have to be interpreted by the courts. Even though there were language changes to make it more difficult for those claimants to receive benefits, the courts do not always interpret language in the same manner as the Division.

Waivers

Mrs. Hopkins stated the 11 waivers that were presented in January, approved by MTEC, and then forwarded onto the US Department of Labor are still pending response from Department of Labor. No decisions have been received by DWD.

High School Task Force

Mr. Gaal stated there has been no further action in regard to the High School Task Force so he had nothing new to add at this time. Dr. Headrick added that the State Board of Education heard a presentation at the May board meeting regarding the high school assessment. Dr. Headrick stated that if ACT would become part of the high school assessment, then it would replace a portion of the high school assessment. There would still need to be additional questions and performance assessments specific to Missouri students. It had been expected to have a vote at the May state board meeting on the high school assessment but it was a continuation of the discussion. Dr. Headrick stated she did not know if that means that it will be taken up again for a vote in July or not.

Education and Training Committee Update

Mr. Gaal stated that the Education and Training Committee met on June 12, 2006 in Jefferson City. At the April 3 MTEC meeting, this committee was charged with doing research on soft skills. At this meeting, three groups from around the state presented the programs being used in their local areas for soft skills training. The committee came away better educated on the subject but not necessarily fully convinced that any one is the best system. The committee also learned about some of ACT's plans, as described by Ms. Halsey. The discussion came to John Wittstruck proposing a motion to be presented to the full council. Dr. Wittstruck's motion looks at who in the State of Missouri, in regard to the State of Missouri being a large employer, might be a pilot program for WorkKeys. This motion would allow MTEC to enter into discussions with the Director of the Missouri Merit System to find out if the State is doing anything with soft skills and might be interested in profiling some of the entry level jobs to see how future hires might match up to those profiles that are done with WorkKeys. Dr. Shannon moved and Ms. Wrench seconded the Education and Training Committee's motion: *MTEC's Education and Training Committee recommends to the Full Council that it direct its Executive Director to begin exploratory conversations with the Director of Personnel with the Office of Administration to learn what, if any, assessments are used to measure the soft skills of future merit system employees and what, if any, instruction is provided within the Merit System to improve the soft skills, e.g., attitude, punctuality, dependability, etc., of future and*

incumbent employees of the Missouri Merit System. During those exploratory discussions, the E&T Committee further recommends that MTEC direct its Executive Director to seek information about the extent to which the Office of Administration has profiled jobs included in the Merit System in a manner consistent with the skills measured by WorkKeys and the extent WorkKeys is used with the Merit System to link jobs with persons with the skills necessary to meet the requirements of the job. Finally, the E&T Committee recommends that the Executive Director report the findings of those conversations to the Council during a future regularly scheduled MTEC meeting. There followed some discussion on the correct title for the person that is over the merit system in Missouri. The information provided in the meeting material had the title listed as Director of Personnel with the Office of Administration; Ms. Johnson had a copy of a previously recommended motion that had it listed as Director of the Missouri Merit System. Ms. Johnson asked for verification of which motion was being voted on.

Dr. Chartock questioned whether MTEC should be directing Mrs. Hopkins to take an action but rather request her to take an action. Dr. Chartock put the motion on the floor and asked for other discussion. Dr. Jennett asked if in this type of government agency, if it is possible that when a motion is presented that isn't wordsmithed properly to have a mechanism whereby the general idea can be approved and the wording be improved at the discretion of the chairman of the committee. Mrs. Hopkins responded that this could easily be done in this situation as this is not creating MTEC policy. Dr. Jennett added that the first motion has to be acted upon but if the makers of that motion would allow an amendment to the motion as to the wording of it. Mr. Gaal moved and Ms. Wrench seconded to amend the motion to improve the wording to be more precise. The amended motion passed.

Chairman's Report

Dr. Chartock shared a letter from John Wittstruck in which he stated how much he enjoyed being a part of MTEC. Dr. Chartock asked Mrs. Hopkins to e-mail Dr. Wittstruck's letter to all of the council members. Mrs. Hopkins explained that because Dr. Wittstruck is retiring from the Department of Higher Education, he has submitted his resignation from MTEC to the Governor.

Dr. Chartock stated that the Governor signed a bill that he had worked on which would increase support to spouses at home of those serving on active military service and experiencing an income reduction while away from their civilian jobs. There were provisions in the bill that will provide increased services to those individuals.

Staff Report

Mrs. Hopkins announced that there is a new member of the MTEC Staff. Trish Barnes is the new Administrative Assistant. Mrs. Hopkins stated that Ms. Barnes would be able to answer questions and take care of any needs in relation to MTEC arrangements that might be required.

Mrs. Hopkins explained that she had been participating in some of the visits around the country to look at exceptional local workforce boards. Mr. Gatz is spearheading that effort for DWD, Mr. Nunn is also involved, and several local workforce boards are participating. It has been enlightening to meet with other boards and their directors to see how they do things, thought processes they have, their planning, and how they look at how to best serve people within their local areas. Visiting these boards has been invigorating and will be very important in helping with recommendations to Missouri's workforce boards in how to do a better job, which ultimately will positively impact services.

As per Dr. Chartock's direction, Mrs. Hopkins discussed two amendments that had been introduced in the General Assembly this last session that would create a different kind of structure for the state workforce board. Neither amendment was successful. It is anticipated that there will be new legislation next year to propose that the state workforce board will become a WIA board rather than a JTPA board. Because MTEC is established statutorily, then it will have to be modified statutorily; this is not something that can be done by Executive Order.

Mrs. Hopkins announced that for those members who are participating in SkillsUSA tomorrow, that she would answer specific questions after this meeting. Some information was included in the advance packet that was mailed.

Mrs. Hopkins announced that the Veteran's Program within the Division of Workforce Development has offered MTEC members the opportunity to tour Whiteman Air Force Base on July 7, 2006. This would involve a breakfast and tours of a Warthog, a B-2 bomber, and an old missile silo. For anyone interested in doing this on July 7, names and social security numbers must be received by June 28 for background checks.

Mr. Johnson asked for an explanation of the difference between a WIA board and a JTPA board. Mrs. Hopkins explained that the current board's structure is 30% business, industry and agriculture, 30% labor and community based organizations, 30% agencies, and 10% public members. WIA has a different sort of board; the Governor is appointed as a member of the board, there are additional legislators from the House and the Senate, and there are two locally elected officials. There would also be specific youth programs representation and a few other more specific programs represented. The great difference is that 51% of the body is business, which means that however many are appointed, then one more business person must be appointed to maintain 51%. There are several versions for the WIA proposed reauthorization currently in Congress. Some versions would allow states to continue to grandfather in under JTPA but the expectation is that Missouri would not be able to grandfather in and would have to change the state board structure. The point of working on this now is to keep ahead of the curve and set a structure up independently rather than under a USDOL schedule.

Ms. Johnson asked for further clarification in regard to the future of MTEC as a new board would be proposed. Dr. Chartock stated that he understands a new board would be in place to replace MTEC but he didn't know if there would be a rollover of all or some of the council members. Ms. Johnson suggested that we have an agenda item for the next meeting to discuss this further. Mrs. Hopkins explained that this would actually create a new state board and it would have a little different flavor to it because it would be 51% business. As far as who would be appointed to the new state board, Mrs. Hopkins didn't know who those appointments would be as the Governor makes the appointments. Dr. Chartock asked that this be put on the next meeting agenda and get some update, if there is any.

Dr. Headrick asked if the responsibility of the board would change. Mrs. Hopkins explained that the responsibilities for the new board would be based on the wording in the Executive Order to create the board. It is anticipated that the responsibilities would be substantially similar in that it would be the state board's responsibility not only to administer WIA programs and WIA-related activities but to look at and be cognizant of issues relating to Missouri's workforce in general in order to have a prepared workforce.

Date of Next Meeting

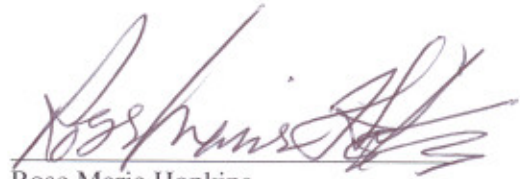
Dr. Chartock suggested that the next meeting be held in conjunction with the Governor's Conference on Workforce Development being held October 11 - 13, 2006. Mrs. Hopkins stated that in the past the MTEC meeting has been conducted immediately preceding the Governor's Conference on Workforce Development. Dr. Chartock concurred and set the date of the next meeting as October 11, 2006 at Tan-Tar-A.

Adjourn

Being there was no further business, Ms. Johnson moved and Mr. Pelker seconded a motion to adjourn the meeting at 2:00 p.m.



Lewis C. Chartock, Ph.D.
Acting Chair



Rose Marie Hopkins
MTEC Executive Director